



1995 ASSEMBLY BILL 232

March 21, 1995 - Introduced by Representatives PORTER, WARD, OWENS, MUSSER, F. LASEE, HAHN, OTT, SKINDRUD, LORGE and GUNDERSON, cosponsored by Senator BURKE. Referred to Committee on Urban and Local Affairs.

1 **AN ACT to renumber and amend** 66.076 (1); **to amend** 66.36 (6), 66.60 (6m) (b)
2 and 66.60 (6m) (c); and **to create** 66.076 (1) (b) and 66.60 (6m) (d) of the
3 statutes; **relating to:** the authority of towns and town sanitary districts to levy
4 special assessments for water and sewage systems on certain farmland and the
5 methods used by cities, villages, towns and metropolitan sewerage districts to
6 finance sewerage projects.

Analysis by the Legislative Reference Bureau

Under current law, town sanitary districts and towns may not levy special assessments on certain farmland for the construction of sewerage and water systems unless a structure on that land is connected to a sewerage or water system at the time, or after the time, that the sanitary district or town first levies an assessment for those purposes, unless that land is later divided and part of it is no longer used for agricultural purposes or unless the land later is not used exclusively for agricultural purposes for at least one year. The assessment on land that falls under the first of the 3 exceptions is limited to the assessment on one square acre or, if the governing body so decides, to the assessment on the largest nonagricultural lot in the town or district. Under any of the 3 exceptions, the owner of the farmland is subject to interest on the assessment.

Under this bill, if the assessment is levied for the construction of a sewerage or water system in a new subdivision, the special assessment on certain farmland is deferred without interest until the farmland is divided and part of it is no longer used for agricultural purposes or until the farmland is rezoned to a nonagricultural use, except that the deferment is not total if the farmland contains a structure that is connected to a sewerage or water system. Once the deferment is lost due to actions taken by the owner of the farmland, the assessment must be paid within 90 days after

the action that caused the deferment to become inapplicable or when the connection of the sanitary sewer or public water supply is actually made, whichever is later. In addition, the assessment may not be based on more than 208.7 feet of frontage. If the town or town sanitary district charges interest on a special assessment, the interest accrues from the date on which the connection is made the date on which eligible farmland is divided into 2 or more parcels and at least one parcel is not devoted exclusively to agricultural use or the date on which eligible farmland has not been devoted to exclusive agricultural use for at least one year.

This bill also changes current law by allowing a city, village, town or metropolitan sewerage district (municipality) to finance a sewerage system project by requiring a subdivision developer to pay for the entire cost of the project necessitated by the development, by requiring a subdivision developer to reimburse the municipality for the financing costs incurred by the municipality to complete the project or by reaching another financing agreement with the developer.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 66.076 (1) of the statutes is renumbered 66.076 (1) (a) and amended
2 to read:

3 66.076 (1) (a) In addition to all other methods provided by law, any
4 municipality may construct, acquire or lease, extend or improve any plant and
5 equipment within or without its corporate limits for the collection, transportation,
6 storage, treatment and disposal of sewage, including the lateral, main and
7 interceptor sewers necessary in connection therewith, and any town, village or city
8 may arrange for such service to be furnished by a metropolitan sewerage district or
9 joint sewerage system. Except as provided in par. (b) and s. 66.60 (6m), payment for
10 the same a sewerage project described in this paragraph, or any part thereof of such
11 project, may be provided from the general fund, from taxation, special assessments,
12 sewerage service charges, or from the proceeds of either municipal obligations,
13 revenue bonds or from any combination of these enumerated methods of financing.

14 **SECTION 2.** 66.076 (1) (b) of the statutes is created to read:

1 66.076 (1) (b) If a sewerage project described under par. (a) is required because
2 of a new subdivision, as defined in s. 236.02 (12), or commercial development, the
3 municipality may pay for the project by a method described under par. (a) or by one
4 of the following methods:

5 1. Requiring the developer to pay the entire cost of the project by a special
6 assessment. If this method is chosen, the developer may pay for the project over a
7 15-year period, in annual instalments, using the procedures in s. 66.54 (7) (b) to (d),
8 (g) and (h). If the developer starts to pay for the project in instalments, the developer
9 may pay off the outstanding balance at any time, plus interest that accrues to the
10 pay-off date, without a prepayment penalty.

11 2. Requiring the developer to pay any interest incurred by the municipality in
12 the municipality's financing of the project using a method under par. (a).

13 3. Any other method of financing agreed to by the municipality and the
14 developer.

15 **SECTION 3.** 66.36 (6) of the statutes is amended to read:

16 66.36 (6) Payment as provided under s. 66.076 (1) (a).

17 **SECTION 4.** 66.60 (6m) (b) of the statutes is amended to read:

18 66.60 (6m) (b) Except as provided in par. pars. (c) and (d), no town sanitary
19 district or town may levy any special assessment on eligible farmland for the
20 construction of a sewerage or water system.

21 **SECTION 5.** 66.60 (6m) (c) of the statutes is amended to read:

22 66.60 (6m) (c) 1. If Subject to par. (d), if any eligible farmland contains a
23 structure that is connected to a sanitary sewer or public water supply at the time,
24 or after the time, that a town sanitary district or town first levies a special
25 assessment for the construction of a sewerage or water system in the service area in

1 which the eligible farmland is located, the town sanitary district or town may levy
2 a special assessment for the construction of a sewerage or water system on the
3 eligible farmland that includes that structure. If that connection is made after the
4 first assessment, the town sanitary district or town may also charge interest, from
5 the date that the connection is made, on the special assessment at an annual rate
6 that does not exceed the average interest rate paid by the district or town on its
7 obligations between the time the district or town first levies a special assessment for
8 the construction of a sewerage or water system in the service area in which the
9 eligible farmland is located and the time it levies the special assessment on that
10 eligible farmland. That assessment may not exceed the equivalent of an assessment
11 for that purpose on a square acre or, if the governing body of a town sanitary district
12 or town so specifies by ordinance, the maximum size of any lot that is in that service
13 area and that is not devoted exclusively to agricultural use.

14 2. If Subject to par. (d), if after an initial special assessment for the construction
15 of a sewerage or water system is levied in a service area any eligible farmland subject
16 to subd. 1. or exempted from a special assessment under par. (b) is divided into 2 or
17 more parcels at least one of which is not devoted exclusively to agricultural use, the
18 town sanitary district or town may levy on each parcel on which it has either levied
19 a special assessment under subd. 1. or has not levied a special assessment for the
20 construction of a sewerage or water system a special assessment for that purpose
21 that does not exceed the amount of the special assessment for that purpose that
22 would have been levied on the parcel if the parcel had not been exempt under par.
23 (b) or that has already been levied under subd. 1. The special assessment shall be
24 apportioned among the parcels resulting from the division in proportion to their
25 area. The town sanitary district or town may also charge interest, from the date the

1 eligible farmland is divided into 2 or more parcels at least one of which is not devoted
2 exclusively to agricultural use, on the special assessment at an annual rate that does
3 not exceed the average interest rate paid by the district or town on its obligations
4 between the time the district or town first levies a special assessment for the
5 construction of a sewerage or water system in the service area in which the eligible
6 farmland is located and the time it levies the special assessment on that eligible
7 farmland under this subdivision. This subdivision does not apply to any eligible
8 farmland unless the town sanitary district or town records a lien on that eligible
9 farmland in the office of the register of deeds within 90 days after it first levies a
10 special assessment for the construction of a sewerage or water system for the service
11 area in which the eligible farmland is located, describing either the applicability of
12 subd. 1. or the exemption under par. (b) and the potential for a special assessment
13 under this subdivision.

14 3. If, after a town sanitary district or town first levies a special assessment for
15 the construction of a sewerage or water system in a service area, the eligible
16 farmland in that service area exempted from the special assessment under par. (b)
17 is not devoted exclusively to agricultural use for a period of one year or more, the town
18 sanitary district or town may levy on that eligible farmland the special assessment
19 for the construction of a sewerage or water system that it would have levied if the
20 eligible farmland had not been exempt under par. (b). The town sanitary district or
21 town may also charge interest, from the date the eligible farmland has not been
22 devoted exclusively to agricultural use for a period of at least one year, on the special
23 assessment at an annual rate that does not exceed the average interest rate paid by
24 the district or town on its obligations between the time the district or town first levies
25 a special assessment for the construction of a sewerage or water system in the service

1 area in which the eligible farmland is located and the time it levies the special
2 assessment on that eligible farmland. This subdivision does not apply to any land
3 unless the town or special purpose district records a lien on that eligible farmland
4 in the office of the register of deeds within 90 days after it first levies a special
5 assessment for the construction of a sewerage or water system in the service area in
6 which the eligible farmland is located, describing the exemption under par. (b) and
7 the potential for a special assessment under this subdivision.

8 **SECTION 6.** 66.60 (6m) (d) of the statutes is created to read:

9 66.60 **(6m)** (d) 1. Except as provided in subd. 2., if a special assessment is levied
10 on eligible farmland under par. (c) 1. or 2., the special assessment shall be deferred
11 without interest until the eligible farmland is divided into 2 or more parcels at least
12 one of which is not devoted exclusively to agricultural use or is rezoned to a
13 nonagricultural use, if the assessment is levied for the construction of a sanitary
14 sewer or public water supply in a new subdivision, as defined in s. 236.02 (12), or
15 commercial development.

16 2. For a special assessment levied under subd. 1. on eligible farmland that
17 contains a residence that is connected to a sanitary sewer or public water supply, the
18 special assessment will be deferred only to the extent that it exceeds the special
19 assessment on 208.7 feet of land.

20 3. When eligible farmland no longer qualifies for a deferment under subd. 1.,
21 the special assessment is due within 90 days after the action taken by the owner of
22 the eligible farmland that caused the farmland to no longer qualify for the deferment
23 or on the date of the actual connection of a sanitary sewer or public water supply to
24 a building or other structure on the formerly eligible farmland, whichever is later.
25 The town sanitary district or town may also charge interest, from the date that the

1 connection is made, on the special assessment at an annual rate that does not exceed
2 the average interest rate paid by the district or town on its obligations between the
3 time the district or town levies the special assessment to which the deferment
4 applied and the time the eligible farmland no longer qualifies for the deferment. The
5 amount of frontage on which the special assessment is calculated may not exceed
6 208.7 feet of land.

7

(END)